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## **METROPOLITAN AREA EMPLOYMENT AND UNEMPLOYMENT: APRIL 2003**

In April, 159 metropolitan areas recorded lower unemployment rates than a year earlier, 143 areas had higher rates, and 29 areas had rates that were unchanged, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Seventeen areas posted unemployment rates below 3.0 percent, with seven of these located in the Midwest and seven in the South. Twelve areas registered jobless rates of at least 10.0 percent, eight of which were located in California and three were along the Mexican border in other states. The national unemployment rate in April was 5.8 percent, not seasonally adjusted.

### Metropolitan Area Unemployment (Not Seasonally Adjusted)

Seventy-two metropolitan areas had unemployment rates below 4.0 percent in April, almost the same number of areas (70) as a year earlier, while 53 areas recorded rates of at least 7.0 percent, up slightly from 47 areas in April 2002. The highest jobless rate was registered in Yuma, Ariz., 21.8 percent, followed by six California areas—Merced, 16.0 percent; Yuba City, 15.7 percent; Visalia-Tulare-Porterville, 15.6 percent; Fresno, 15.5 percent; Bakersfield, 12.8 percent; and Modesto, 12.5 percent. Bryan-College Station, Texas, and Columbia, Mo., continued to report the lowest rates, 1.9 percent each. Overall, 232 areas recorded unemployment rates below the U.S. average of 5.8 percent in April, while 94 areas had higher rates. (See table 1 and the map.)

In April, the largest unemployment rate decrease from a year earlier was posted in Florence, Ala. (-2.2 percentage points), followed by Pocatello, Idaho (-2.0 points). An additional nine areas registered jobless rate declines of a full percentage point or more, with five of these located in the South and three in the Midwest. Another 46 areas recorded over-the-year rate decreases of at least one-half percentage point. Yuma, Ariz., continued to report the largest unemployment rate increase from a year earlier (+3.9 percentage points), followed by Youngstown-Warren, Ohio (+3.1 points), which experienced numerous manufacturing layoffs over the year. An additional 13 areas posted over-the-year rate increases ranging from 1.0 to 1.8 percentage points, with 6 in the South and 5 in the Northeast (all in Connecticut). Another 39 areas had rate increases of one-half percentage point or more.

Of the 51 metropolitan areas with a 1990 census population of 1 million or more, San Jose, Calif., and Portland-Vancouver, Ore.-Wash., continued to report the highest unemployment rates, 8.3 percent and 8.1 percent, respectively. Miami, Fla., and New York, N.Y., followed, at 7.3 percent each. Among these large areas, Washington, D.C.-Md.-Va.-W.Va., continued to have the lowest unemployment rate, 3.4 percent. Another three areas had rates below 4.0 percent—Nassau-Suffolk, N.Y., 3.7 percent; Orange County, Calif., 3.8 percent; and Norfolk-Virginia Beach-Newport News, Va.-N.C., 3.9 percent. Among

these large areas, 34 posted rates below that of the U.S., while 15 had higher rates. Over the year, jobless rates were down in 28 of these large areas, up in 17 areas, and unchanged in 6 areas. The largest unemployment rate decrease from April 2002 was reported in Salt Lake City-Ogden, Utah (-0.8 percentage point), followed by four areas with rate decreases of one-half percentage point each. The largest over-the-year rate increases were again recorded in Hartford, Conn. (+1.5 percentage points), Houston, Texas (+0.8 point), and Columbus, Ohio (+0.6 point).

#### Metropolitan Area Nonfarm Employment (Not Seasonally Adjusted)

Among the 272 metropolitan areas for which over-the-year comparisons could be made, 140 reported over-the-year decreases in employment, 126 recorded increases, and 6 had no change. The largest over-the-year employment declines were posted in New York, N.Y. (-47,500), San Jose, Calif. (-44,800), and Detroit, Mich. (-41,500). The largest over-the-year percentage declines in employment were reported in San Jose, Calif. (-4.9 percent), Tulsa, Okla. (-4.5 percent), Lowell, Mass. (-3.9 percent), and Worcester, Mass. (-3.6 percent). (See table 2.)

The largest over-the-year employment increases were reported in Washington, D.C.-Md.-Va.-W.Va. (+27,100), Fort Lauderdale, Fla. (+14,000), and Honolulu, Hawaii (+13,900). The largest percentage increases in employment occurred in Elkhart-Goshen, Ind. (+5.5 percent), Honolulu, Hawaii (+3.4 percent), and Modesto, Calif. (+2.8 percent).

Over-the-year nonfarm employment comparisons could be made in 37 metropolitan areas with annual average employment levels above 750,000 in 2002. Employment declined in 24 of these 37 areas. The largest over-the-year percentage declines in employment in these large metropolitan areas were posted in San Jose, Calif. (-4.9 percent), Kansas City, Mo.-Kan. (-2.9 percent), and San Francisco, Calif. (-2.2 percent). Among the largest areas, Las Vegas, Nev.-Ariz., and Orlando, Fla., had the highest over-the-year percentage increase in employment (+1.5 percent each), followed by Miami, Fla. (+1.1 percent), and Riverside-San Bernardino, Calif., and Washington, D.C.-Md.-Va.-W.Va. (+1.0 percent each).

Manufacturing remained the weakest industry, with 215 metropolitan areas experiencing employment losses over the year. The information industry and trade, transportation, and utilities had employment losses in 147 and 142 metropolitan areas, respectively. Employment growth was most widespread in education and health services, in government, and in other services, with increases occurring in 216, 173, and 142 metropolitan areas, respectively.

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The Regional and State Employment and Unemployment release for May is scheduled to be issued on June 20. The Metropolitan Area Employment and Unemployment release for May is scheduled to be issued on July 2.

#### **Correction of Nonfarm Payroll Employment Data for Georgia**

The nonfarm payroll employment data for Georgia presented in table 2 of this release have been corrected from January 1990 through December 2000. These corrections were at the statewide level only; the data for the metropolitan areas within Georgia were not affected.

# Technical Note

This release presents labor force and unemployment data from the Local Area Unemployment Statistics (LAUS) program (table 1) for 337 metropolitan areas, including those in Puerto Rico. Nonfarm payroll employment estimates from the Current Employment Statistics (CES) program (table 2) are provided for over 270 of these areas. State estimates were previously published in the news release, *Regional and State Employment and Unemployment*, and are republished in this release for ease of reference. The LAUS and CES programs are both Federal-State cooperative endeavors.

## Labor force and unemployment—from the LAUS program

**Definitions.** The labor force and unemployment data are based on the same concepts and definitions as those used for the official national estimates obtained from the Current Population Survey (CPS), a sample survey of households that is conducted for the Bureau of Labor Statistics (BLS) by the U.S. Census Bureau. The labor force includes both the employed and the unemployed. Employed persons are those who did any work at all for pay or profit in the survey reference week (the week including the 12th of the month) or worked 15 hours or more without pay in a family business or farm, plus those not working who have a job from which they were temporarily absent, whether or not paid, for such reasons as labor-management dispute, illness, or vacation. Unemployed persons are those who did not work at all (in the reference week), have actively looked for a job (sometime in the 4-week period ending with the survey reference week), and are currently available for work; persons on layoff expecting recall need not be looking for work to be counted as unemployed.

**Method of estimation.** Effective January 1996, estimates for all states, the District of Columbia, the Los Angeles-Long Beach metropolitan area, and New York City are produced using estimating equations based on regression techniques. For all other substate areas, estimates are prepared through indirect estimation procedures. Employment estimates, which are based largely on “place of work” estimates from the CES program, are adjusted to refer to place of residence as used in the CPS. Unemployment estimates are aggregates of persons previously employed in industries covered by state unemployment (UI) laws and entrants to the labor force data from the CPS. The substate estimates of employment and unemployment which geographically exhaust the entire state, are adjusted proportionally to ensure that they add to the independently estimated state totals. A detailed description of the estimation procedures is available from BLS upon request.

**Annual revisions.** Labor force and unemployment data shown for the prior year reflect adjustments made at the end of each year, usually with January estimates. The adjusted estimates reflect updated population data from the U.S. Census Bureau and any revisions in the other data sources. In addition, data for all states, the District of Columbia, and the two large substate areas noted are adjusted annually to equal the CPS annual averages, usually effective with January estimates. All other substate estimates are adjusted to add to the revised (benchmarked) state estimates.

## Employment—from the CES program

**Definitions.** Employment data refer to persons on establishment payrolls who receive pay for any part of the pay period which includes the 12th of the month. Persons are counted at their place of work rather than at their place of residence; those appearing on more than one payroll are counted on each payroll. Industries are classified on the basis of their principal activity in accordance with the 2002 version of the North American Industry Classification System.

**Method of estimation.** The employment data are estimated using a “link relative” technique in which a ratio (link relative) of current-month employment to that of the previous month is computed from a sample of establishments reporting for both months. The estimates of employment for the current month are obtained by multiplying the estimates for the previous month by these ratios. Small-domain models are used as the official estimators for the approximately 10 percent of CES published series which have insufficient sample for direct sample-based estimates.

**Annual revisions.** Employment estimates are adjusted annually to a complete count of jobs, called benchmarks, derived principally from tax reports which are submitted by employers who are covered under state unemployment insurance (UI) laws. The benchmark information is used to adjust the monthly estimates between the new benchmark and the preceding one and also to establish the level of employment for the new benchmark month. Thus, the benchmarking process establishes the level of employment, and the sample is used to measure the month-to-month changes in the level for the subsequent months.

## Reliability of the estimates

The estimates presented in this release are based on sample survey and administrative data and thus are subject to sampling and other types of errors. Sampling error is a measure of sampling variability—that is, variation that occurs by chance because a sample rather than the entire population is surveyed. Survey data are also subject to nonsampling errors, such as those which can be introduced into the data collection and processing operations. Estimates not directly derived from sample surveys are subject to additional errors resulting from the special estimation processes used. The sums of individual items may not always equal the totals shown in the same tables because of rounding. With respect to the LAUS program, unemployment rates are computed, in most instances, from unrounded data rather than from data that may be displayed in the tables; differences, however, are generally insignificant.

**Labor force and unemployment estimates.** Measures of sampling error, in the form of the standard errors for state annual average estimates derived from the CPS, are available in the annual BLS bulletin, *Geographic Profile of Employment and Unemployment*. Error measures cannot be computed for substate areas because of the special estimation processes used. Measures of nonsampling error for CPS data are not available, but additional information on the subject is provided in the BLS monthly periodical, *Employment and Earnings*.

**Employment estimates.** Measures of sampling error will be available for state CES data, at the supersector level and for metropolitan area CES data at the total nonfarm level. Information on recent

benchmark revisions for states is available on the BLS Web site at (<http://www.bls.gov/sae/>).

**Area definitions.** The substate area data published in this release reflect the standards and definitions established by the U.S. Office of Management and Budget, dated June 30, 1996. A detailed list of the geographic definitions is published annually in the May issue of *Employment and Earnings*.

### **Additional information**

More complete information on the technical procedures used to develop these estimates and additional data appear in *Employment and Earnings*, which is available by subscription from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 (telephone 202-512-1800).

Estimates of unadjusted and seasonally adjusted labor force and unemployment data for states, census regions and divisions, and two areas are available in the news release, *Regional and State Employment and Unemployment*. Estimates of labor force and unemployment for all states, metropolitan areas, labor market areas, counties, cities with a population of 25,000 or more, and other areas used in the administration of various federal economic assistance programs are available from the BLS Internet at (<http://stats.bls.gov/lau/>). Employment data from the CES program are available at (<http://stats.bls.gov/sae/>).

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone: 1-800-877-8339.